

EXHIBIT 3

DAVID BROWNSTEIN
AMY BARTOLETTI vs CITIGROUP INC.

August 30, 2012
89-92

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1 D. BROWNSTEIN
2 A. I have seen document that are --
3 generally identical to this, but not specific
4 to Lisa.
5 Q. Right.
6 A. Yes, the selling component
7 wouldn't be an estimate, not accurate.
8 Q. And when is that selling component
9 -- is that selling component ever confirmed or
10 actual?
11 A. I don't know.
12 Q. Do you know who inputs the
13 information of these types of documents?
14 A. I don't.
15 Q. Do you know where the information
16 contained in these types of documents comes
17 from?
18 A. I don't.
19 Q. Were you involved in the decision
20 to lay off Amy Bartoletti?
21 A. Yes.
22 Q. How so?
23 A. I believe I was primarily
24 responsible for that decision.
25 Q. And why were you primarily

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1 D. BROWNSTEIN
2 responsible for that decision?
3 A. Because after we laid off Nick
4 Fluehr who ran the housing group in one of the
5 earlier RIFs, I took responsibility for the
6 housing group directly.
7 Q. Why?
8 A. Because we had no one who was
9 prepared at that point to really run every
10 aspect of that business.
11 Q. Wasn't Amy Bartoletti named the
12 co-head of that group after Nick Fluehr's
13 departure?
14 A. She was named to be, she and Mike
15 Koessel were named as co-heads of that group,
16 but I was supervising them day to day.
17 Q. Well, you were supervising
18 everyone?
19 A. I was managing them as well day to
20 day.
21 Q. And why did they need managing?
22 A. They didn't have the experience to
23 take on those responsibilities.
24 Q. How do you know?
25 A. I knew both of them and knew what

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1 D. BROWNSTEIN
2 their capabilities were at the time.
3 Q. Well, did you ever work with Amy
4 prior to becoming co-head of the public
5 finance department?
6 A. I had experiences working with
7 Amy, yes, on derivatives transactions an
8 example.
9 Q. And how about Mr. Koessel, did you
10 ever work on any transactions with him before
11 you became co-head with the public finance
12 department?
13 A. Again, with respect to derivatives
14 transactions, yes.
15 Q. So you didn't have any experience
16 with Amy in regards to a management
17 capabilities, did you?
18 MR. TURNBULL: Objection to the
19 form.
20 A. I very quickly during the process
21 of the RIF and putting them in their positions
22 learned that neither Amy nor Mike had the
23 capacity or capability to run that business.
24 Q. Well, when did you start managing
25 the housing group?

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1 D. BROWNSTEIN
2 A. As soon as we laid off Nick Fluehr
3 in the first RIF or the second RIF. I don't
4 know which one he was in.
5 Q. How long did it take you to find
6 out?
7 A. A few days.
8 Q. And what did you base that on?
9 A. I am a professional, my job is to
10 work closely with people, learn how they work,
11 learn what their capabilities are and learn
12 where they need a guidance and assistance.
13 And I can do that very quickly.
14 Q. Do you know who managed the group
15 when Nick Fluehr was not in the office?
16 MR. TURNBULL: Objection to the
17 form.
18 A. Nick Fluehr managed the group.
19 Whether other people had responsibilities
20 under Nick, I don't know. But Nick managed
21 the group.
22 Q. And when you say "manage," what do
23 you mean by that?
24 A. He was responsible for the
25 decisions on what people would work on day to



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<p style="text-align: right;">Page 93</p> <p>1 D. BROWNSTEIN</p> <p>2 day, what each of them would do, how they</p> <p>3 would get business. Those are the normal</p> <p>4 functions of a group head.</p> <p>5 Q. Do you consider getting business</p> <p>6 managing the group?</p> <p>7 MR. TURNBULL: Objection to the</p> <p>8 form.</p> <p>9 Q. Let say me it a different way.</p> <p>10 What does getting business have to do with</p> <p>11 managing the group?</p> <p>12 A. We're in the business of getting</p> <p>13 hired to help clients do underwritings of bond</p> <p>14 financings. The manager of the group has to</p> <p>15 set strategy on how best to do that.</p> <p>16 Q. After Nick Fluehr was laid off, do</p> <p>17 you know when Nick Fluehr was laid off?</p> <p>18 A. I don't.</p> <p>19 Q. Do you know if it was in June</p> <p>20 of 2008?</p> <p>21 A. I don't.</p> <p>22 Q. Once you started managing the</p> <p>23 housing group, did you get any business for</p> <p>24 it?</p> <p>25 A. No.</p>	<p style="text-align: right;">Page 95</p> <p>1 D. BROWNSTEIN</p> <p>2 Q. Who did you help?</p> <p>3 A. Amy and Mike.</p> <p>4 Q. Did you assist them?</p> <p>5 A. I was their manager, sir.</p> <p>6 Q. Who set the strategy?</p> <p>7 A. I did.</p> <p>8 Q. Did you help them or did you set</p> <p>9 it?</p> <p>10 A. I never do anything in a vacuum.</p> <p>11 I work with people jointly to get them</p> <p>12 comfortable with an approach.</p> <p>13 Q. And do you know if they needed</p> <p>14 your help?</p> <p>15 A. They needed my help. It was my</p> <p>16 determination, they needed my help.</p> <p>17 Q. And did your strategy help them</p> <p>18 get business?</p> <p>19 A. Yes.</p> <p>20 Q. When?</p> <p>21 A. I am sorry?</p> <p>22 Q. When?</p> <p>23 A. When?</p> <p>24 Q. Yes.</p> <p>25 A. How my strategy helped them get</p>
<p style="text-align: right;">Page 94</p> <p>1 D. BROWNSTEIN</p> <p>2 Q. Why did you believe that Amy -- do</p> <p>3 you think Amy was capable of assigning</p> <p>4 personnel to a transaction?</p> <p>5 A. Yes.</p> <p>6 Q. And do you think Amy was capable</p> <p>7 of determining people's role on a transaction?</p> <p>8 A. Yes.</p> <p>9 Q. Do you think Amy was capable of</p> <p>10 getting business?</p> <p>11 A. I don't know.</p> <p>12 Q. And so why did you think Amy was</p> <p>13 not capable of managing the group?</p> <p>14 A. What you have asked me if Amy was</p> <p>15 capable of doing, are not the things I said a</p> <p>16 manager needs to be able to do.</p> <p>17 Q. So what does a manager need to be</p> <p>18 able to do?</p> <p>19 MR. TURNBULL: Objection. Asked</p> <p>20 and answered. He said the manager sets</p> <p>21 strategy on how to best to get hired by</p> <p>22 clients.</p> <p>23 Q. Did you set strategy when you were</p> <p>24 a manager of the housing group?</p> <p>25 A. I helped them develop a strategy.</p>	<p style="text-align: right;">Page 96</p> <p>1 D. BROWNSTEIN</p> <p>2 business was to have them focus on a specific</p> <p>3 account base. By doing that, they were able</p> <p>4 to be more focused and therefore, given the</p> <p>5 shortage of staff, be more effective at what</p> <p>6 they do. That's how it helped them.</p> <p>7 Q. When did the first transaction</p> <p>8 come in after Nick Fluehr was laid off as a</p> <p>9 result of your strategy?</p> <p>10 A. You're not fully understanding</p> <p>11 what I am saying.</p> <p>12 Q. Explain it to me then.</p> <p>13 A. The challenge is making sure an</p> <p>14 employee doesn't work on more things at once</p> <p>15 than they can, so that they can be focused and</p> <p>16 therefore through that focus, get business.</p> <p>17 That was the challenge that both Amy and Mike</p> <p>18 had that I was there to guide them through.</p> <p>19 Q. Do you know if that strategy was</p> <p>20 in place before Nick Fluehr was laid off?</p> <p>21 A. I don't.</p> <p>22 Q. So what makes you think that they</p> <p>23 actually needed your help?</p> <p>24 MR. TURNBULL: Objection. Asked</p> <p>25 and answered.</p>

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<p style="text-align: right;">Page 97</p> <p>1 D. BROWNSTEIN</p> <p>2 A. I already answered that question.</p> <p>3 Q. Why don't you answer it again for</p> <p>4 me.</p> <p>5 A. I am a professional.</p> <p>6 Q. That's your answer, that just you</p> <p>7 are professional?</p> <p>8 MR. TURNBULL: Objection. He</p> <p>9 already answered the question.</p> <p>10 MR. DATGOO: Do you want to read</p> <p>11 back the answer.</p> <p>12 (Record read.)</p> <p>13 Q. So what did you learn quickly</p> <p>14 about Amy's management ability?</p> <p>15 A. What I learned is her inability to</p> <p>16 make good business decisions.</p> <p>17 Q. And you learned this in a few</p> <p>18 days?</p> <p>19 A. Yes.</p> <p>20 Q. And did she make any bad business</p> <p>21 decisions in a few days?</p> <p>22 A. I would argue yes.</p> <p>23 Q. And in that few day span, what bad</p> <p>24 business decisions did she make?</p> <p>25 A. She had people focusing on more</p>	<p style="text-align: right;">Page 99</p> <p>1 D. BROWNSTEIN</p> <p>2 being head?</p> <p>3 A. Because that was the thought</p> <p>4 initially when we let Nick go.</p> <p>5 Q. And what do you mean that she</p> <p>6 didn't embrace it?</p> <p>7 A. She said she'd think about it.</p> <p>8 She was considering whether she should just</p> <p>9 leave.</p> <p>10 Q. You think that was a bad business</p> <p>11 decision?</p> <p>12 A. From my perspective, yes.</p> <p>13 Q. Why did you talk to her about</p> <p>14 becoming head of the group after Nick left?</p> <p>15 A. We needed someone to take over</p> <p>16 responsibility for the group.</p> <p>17 Q. And you approached Amy?</p> <p>18 A. Yes.</p> <p>19 Q. Did Amy tell you that she was</p> <p>20 thinking about leaving Citi?</p> <p>21 A. When?</p> <p>22 Q. When you spoke to her about</p> <p>23 becoming head of the group.</p> <p>24 A. Well, I know that she had thought</p> <p>25 about leaving Citi a couple of times. So</p>
<p style="text-align: right;">Page 98</p> <p>1 D. BROWNSTEIN</p> <p>2 things than they could legitimately focus on</p> <p>3 and be effective.</p> <p>4 Q. Can you give me an example?</p> <p>5 A. Having people respond to requests</p> <p>6 for proposals from issuers where there would</p> <p>7 be no economic benefit, yet it would use up</p> <p>8 significant time of the limited staff she had.</p> <p>9 Q. And in that few days what RFP did</p> <p>10 she have?</p> <p>11 A. I don't recall a specific one. I</p> <p>12 don't have a name.</p> <p>13 Q. And did she make any other bad</p> <p>14 business decisions in this few day span?</p> <p>15 A. I would argue the first one was</p> <p>16 not embracing taking on the responsibility.</p> <p>17 Q. Of what?</p> <p>18 A. Of being head of the housing</p> <p>19 group.</p> <p>20 Q. Head or co-head?</p> <p>21 A. Well, initially as you know what</p> <p>22 we talked to her about was being head.</p> <p>23 Q. Who is "we"?</p> <p>24 A. Me.</p> <p>25 Q. Why did you speak to her about</p>	<p style="text-align: right;">Page 100</p> <p>1 D. BROWNSTEIN</p> <p>2 after we let Nick go, she told us that she was</p> <p>3 or immediately said she wanted to think about</p> <p>4 whether she wanted to stay or not, correct.</p> <p>5 Q. She said that to you?</p> <p>6 A. Yes.</p> <p>7 Q. If she testifies differently she</p> <p>8 would be lying?</p> <p>9 MR. TURNBULL: Objection to the</p> <p>10 form.</p> <p>11 A. She would be saying her</p> <p>12 recollection of the facts and I would be</p> <p>13 saying mine.</p> <p>14 Q. Why did you approach Amy to be</p> <p>15 head and not Mr. Koessel?</p> <p>16 A. Because I didn't think Mike would</p> <p>17 be interested in that position.</p> <p>18 Q. Would you think that would be a</p> <p>19 bad business decision on his part?</p> <p>20 MR. TURNBULL: Objection to the</p> <p>21 form.</p> <p>22 A. No.</p> <p>23 Q. Why would it be bad business</p> <p>24 decision for Amy if she wasn't interested in</p> <p>25 it?</p>

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1 D. BROWNSTEIN
2 A. Not what I said, sir.
3 Q. Then what is it that you said?
4 A. What I said is she needed to think
5 about whether she wanted to stay at the firm.
6 Mike didn't say I want to leave or not. What
7 I am saying is Mike was happy with the role at
8 the time that he was playing. So I didn't
9 think Mike would be interested in a more
10 senior role.
11 Q. So the bad business decision you
12 believe she made was the fact that she
13 allegedly told you that she was thinking about
14 whether to stay at the firm or not; is that
15 correct?
16 MR. TURNBULL: Objection to the
17 form.
18 A. No, I said that was one of
19 several. Another again as I said is, as the
20 senior person in having people work on things
21 that there was no reason people should be
22 spending their time working on.
23 Q. But you don't know, you can't give
24 me an example of one thing?
25 A. There were several proposals that

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1 D. BROWNSTEIN
2 they sent out and I had several discussions
3 with Amy on it that were unnecessary, and her
4 answer was they were a good training for her
5 team that wasn't a reason to have people
6 working the hours that she was having them
7 work.
8 Q. You can't name me one of these
9 several proposals?
10 A. No, I can't.
11 Q. Did you e-mail, was there any
12 e-mail between communication between you and
13 Amy on this?
14 A. We sat close enough together that
15 we would talk.
16 Q. Do you know if Mike Koessel was
17 involved in these RFP decisions?
18 A. I don't know.
19 Q. Now why didn't you think that Mike
20 Koessel was capable of managing the group?
21 A. I didn't say that. I said that
22 Mike never showed an interest in taking on
23 more responsibility.
24 Q. Do you think he was capable of
25 managing the group?

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1 D. BROWNSTEIN
2 A. Yes. Looking back now, you have
3 proof of that.
4 Q. I am saying at the time in that
5 few day period.
6 A. I understand. But yes, at the
7 time, yes. But again, it wasn't something he
8 was asking for.
9 Q. Well, he did ask for it, didn't
10 he?
11 A. Ultimately, but not in the
12 beginning, no.
13 Q. Well, when did he ask to become
14 head of or co-head?
15 A. When I went and told him that we
16 let Nick go and we were looking at putting Amy
17 in charge.
18 Q. And what did he say?
19 A. He said why not me?
20 Q. Is that the first time you thought
21 he was interested in a leadership position in
22 the group?
23 A. Correct.
24 Q. And is there a reason why you
25 didn't make him the sole head of the group?

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1 D. BROWNSTEIN
2 A. I think we wanted to give them
3 both an opportunity within the business and if
4 you had at that point made one of them head,
5 the other one would have left. And we wanted
6 them both to stay.
7 Q. Why would you offer a position to
8 someone who is not qualified?
9 A. I am sorry, who are you saying
10 wasn't qualified?
11 Q. Well, didn't you just testify that
12 you don't believe Amy was qualified to be head
13 of the group?
14 A. What I was trying to state, if I
15 didn't state it properly for you, is that they
16 weren't in a position, neither of them, to
17 take on the full responsibility of that group
18 at that point.
19 Q. Did you ever witness Mr. Koessel
20 make any bad business decisions prior to
21 making him co-head?
22 A. No.
23 Q. Never once?
24 A. Not that I recall.
25 Q. Only Amy?

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<p style="text-align: right;">Page 105</p> <p>1 D. BROWNSTEIN</p> <p>2 A. Only Amy.</p> <p>3 Q. In that few day span?</p> <p>4 A. You are saying it was a few days,</p> <p>5 but I am saying it was probably longer than</p> <p>6 that. But correct.</p> <p>7 Q. Why did you select Amy for a</p> <p>8 layoff?</p> <p>9 A. The fourth RIF was fairly</p> <p>10 dramatic. We were at a point in our business</p> <p>11 that we were in survival mode. And the first</p> <p>12 question was what do we do with the housing</p> <p>13 group overall. The crisis had a dramatic</p> <p>14 impact on housing, as you all know.</p> <p>15 So the questions we asked were</p> <p>16 should we have a housing group and if so, what</p> <p>17 should that housing group look like and what</p> <p>18 would its future be. The conclusion was we</p> <p>19 would have a very slim housing group with one</p> <p>20 near term purpose, and that was to have Citi</p> <p>21 continue to be somewhat of a thought leader in</p> <p>22 the market when it comes to housing on the</p> <p>23 municipal side.</p> <p>24 Clearly Citi was a large player in</p> <p>25 the housing space overall, not just</p>	<p style="text-align: right;">Page 107</p> <p>1 D. BROWNSTEIN</p> <p>2 our goal with the housing group was simply to</p> <p>3 have a footprint that would create the ability</p> <p>4 to act as a thought leader in the market as</p> <p>5 opposed to focusing on revenues.</p> <p>6 Q. So you weren't focusing on making</p> <p>7 money for the company?</p> <p>8 A. Not in the housing group. The</p> <p>9 housing group wasn't making a whole lot of</p> <p>10 money before this, but no. That wasn't our</p> <p>11 goal.</p> <p>12 Q. How much was it making?</p> <p>13 A. \$7, \$8 million total and that's</p> <p>14 gross, not net.</p> <p>15 Q. Now wasn't Amy able to serve in</p> <p>16 that thought leadership role?</p> <p>17 A. Well, first of all, she hadn't</p> <p>18 been. She hadn't been spending her time doing</p> <p>19 that. But really didn't have the experience,</p> <p>20 expertise or knowledge to do that, in my view.</p> <p>21 Q. Why not?</p> <p>22 A. Just my opinion.</p> <p>23 Q. What's it based on?</p> <p>24 A. My knowledge of the two</p> <p>25 individuals and what they did and how they did</p>
<p style="text-align: right;">Page 106</p> <p>1 D. BROWNSTEIN</p> <p>2 municipals. But so our goal in the housing</p> <p>3 group, our decision was we wanted to keep a</p> <p>4 footprint, but it would be a very limited</p> <p>5 footprint and its goal at that point wouldn't</p> <p>6 be about generating revenues for us, but would</p> <p>7 be to maintain thought leadership in that</p> <p>8 market.</p> <p>9 The decision that I made to have</p> <p>10 Mike stay and not Amy was because Mike had the</p> <p>11 capacity and capability and experience to</p> <p>12 serve in that thought leadership role as</p> <p>13 opposed to simply a banking role.</p> <p>14 Q. What do you mean by thought</p> <p>15 leadership role?</p> <p>16 A. What Mike was spending time on was</p> <p>17 working with people in Washington on solutions</p> <p>18 to the crisis. What it means by being a</p> <p>19 thought leader is being out there in front of</p> <p>20 people who are in positions to help make</p> <p>21 change in coming up with solutions that can</p> <p>22 make those changes.</p> <p>23 Q. Did that generate any revenue for</p> <p>24 the group?</p> <p>25 A. As I said, from that point forward</p>	<p style="text-align: right;">Page 108</p> <p>1 D. BROWNSTEIN</p> <p>2 things and how they acted.</p> <p>3 Q. Well, what's the basis for that?</p> <p>4 How did Amy act that would lead you to believe</p> <p>5 that she couldn't function in the stock</p> <p>6 leadership role?</p> <p>7 MR. TURNBULL: Objection to the</p> <p>8 form.</p> <p>9 A. Simply my opinion.</p> <p>10 Q. When did Mr. Koessel start</p> <p>11 spending his time speaking to people in</p> <p>12 Washington to try to form solutions to the</p> <p>13 housing crisis?</p> <p>14 A. I can't give you a specific date.</p> <p>15 I don't know. You'd have to ask Mike.</p> <p>16 Q. How long was it going on for?</p> <p>17 A. As I said, I don't know, you have</p> <p>18 to ask Mike. I don't have dates.</p> <p>19 Q. Was it years?</p> <p>20 A. Mike was always involved in</p> <p>21 discussions with people throughout the system,</p> <p>22 Washington, Fannie, Freddie and otherwise on</p> <p>23 the housing market, as well as people</p> <p>24 internally in different components of</p> <p>25 Citigroup who handled the mortgages.</p>



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1 D. BROWNSTEIN

2 Q. Well, the crash happened in 2008,

3 correct?

4 A. Yes.

5 Q. So you wouldn't have been spending

6 time prior to 2008 trying to figure out

7 solutions to the housing crisis, correct?

8 A. Solutions to the housing market

9 were issues before the crisis, because they

10 are not just about the crisis, they are about

11 just the housing market, how it functions,

12 what could make it a better functioning

13 market. So Mike was involved in that for

14 sometime, but you'd have to talk to him about

15 his exact experience with that.

16 Q. Did you ever talk to Nick Fluehr

17 about Amy's work performance?

18 A. No.

19 Q. How about Amy's ability to manage

20 the group?

21 A. No, not that I recall.

22 Q. Did you ever talk to Nick Fluehr

23 about Mike Koessel's work performance?

24 A. Not that I recall. Actually, Nick

25 was not a fan of Mike's, he didn't think he

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1 D. BROWNSTEIN

2 was doing a good job is my recollection.

3 Q. Do you know why?

4 A. I don't.

5 Q. Did you disagree with him?

6 A. At the point I would have talked

7 to Nick about this, I would have had no direct

8 interaction with Mike or Amy to know to agree

9 or disagree.

10 Q. So then the only time you would

11 have known directly about Mike's work

12 performance was after Nick Fluehr was laid

13 off?

14 A. Correct.

15 Q. And the same thing with Amy?

16 A. Correct.

17 Q. And so how do you know Mike was

18 spending his time speaking to people in D.C.

19 about solutions to the housing crisis?

20 A. I thought you just asked about

21 work performance.

22 Q. Right.

23 A. That's not performance, that's

24 what he worked on.

25 Q. Okay.

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1 D. BROWNSTEIN

2 Do you know what Amy worked on

3 prior to Nick's termination?

4 A. Sure. Both student loan and

5 housing bond finances.

6 Q. Do you know what she specifically

7 did?

8 A. She ran the deals because Nick

9 basically handed them off to her.

10 Q. Do you know what Mr. Koessel did?

11 A. He went and got business and

12 managed and ran deals as well. They both did.

13 Q. And Amy never got business?

14 A. I said she did.

15 Q. She did?

16 A. Yes.

17 Q. She went out and got business?

18 A. Yes. Mostly with Nick as opposed

19 to Mike, because she and Nick worked very,

20 very closely together.

21 Q. You know what both of them did --

22 I am sorry, Amy and Mike?

23 A. Yes.

24 Q. You just don't know how well they

25 did?

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1 D. BROWNSTEIN

2 A. You asked me if I asked Nick about

3 what he thought of their performance. And I

4 never spoke to Nick about their performance.

5 Q. Did you speak to anyone about

6 their work performance?

7 A. No.

8 Q. Were you in a position to evaluate

9 Amy's work performance?

10 A. I worked with both Amy and Mike on

11 derivatives transactions. So I had

12 interaction with them.

13 Q. How many times did you work with

14 Amy on derivative transactions?

15 A. Over many, many years, I can't --

16 I can't give you an amount.

17 Q. More than ten?

18 A. Probably not even close to ten.

19 Q. More than five?

20 A. I don't know.

21 Q. And how about Mike, how many

22 derivative transactions on with him?

23 A. The same, a couple.

24 Q. And is the last time you recall

25 working on a derivatives transaction with



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<p style="text-align: right;">Page 113</p> <p>1 D. BROWNSTEIN</p> <p>2 Mike?</p> <p>3 A. It would have been before '08, I</p> <p>4 believe.</p> <p>5 Q. Do you know how far before '08?</p> <p>6 A. I don't. The same with Amy, it</p> <p>7 would have been before '08.</p> <p>8 Q. So the extent of your ability to</p> <p>9 judge their performance was based solely on</p> <p>10 the transactions you worked on them with?</p> <p>11 A. And interacting with them</p> <p>12 generally.</p> <p>13 Q. How could you judge their work</p> <p>14 performance based on interacting with them?</p> <p>15 A. Because how they interact with</p> <p>16 other people gives you a feel for how -- what</p> <p>17 their capable of doing.</p> <p>18 Q. And you would see them interact</p> <p>19 with their coworkers?</p> <p>20 A. Their coworkers, other people</p> <p>21 within the department, yes. And sometimes</p> <p>22 clients.</p> <p>23 Q. And what was your opinion about</p> <p>24 Amy's interactions?</p> <p>25 A. I thought Amy was very capable as</p>	<p style="text-align: right;">Page 115</p> <p>1 D. BROWNSTEIN</p> <p>2 into account?</p> <p>3 A. Total compensation people had and</p> <p>4 what impact would have on total requirements</p> <p>5 for the RIF.</p> <p>6 Q. And Amy was making more than</p> <p>7 Mr. Koessel?</p> <p>8 A. Correct.</p> <p>9 Q. Do you know how much more?</p> <p>10 A. I don't.</p> <p>11 Q. Reducing her compensation was not</p> <p>12 an option though, correct?</p> <p>13 A. As I said, that wasn't a choice we</p> <p>14 were given by senior management.</p> <p>15 Q. If someone makes more money than</p> <p>16 someone else, what does that mean?</p> <p>17 MR. TURNBULL: Objection to the</p> <p>18 form.</p> <p>19 Q. Let me just ask that based on</p> <p>20 incentive comp. If someone receives more</p> <p>21 incentive comp than someone else, what does</p> <p>22 that mean?</p> <p>23 MR. TURNBULL: Objection to the</p> <p>24 form.</p> <p>25 A. Well, as I understand it --</p>
<p style="text-align: right;">Page 114</p> <p>1 D. BROWNSTEIN</p> <p>2 a banker.</p> <p>3 Q. How about Mike?</p> <p>4 A. I thought Mike was very capable as</p> <p>5 a banker as well.</p> <p>6 Q. Do you know if people complained</p> <p>7 about Mike yelling in the office?</p> <p>8 A. I never heard that.</p> <p>9 Q. Do you know if he was well liked</p> <p>10 by the group?</p> <p>11 A. I don't know.</p> <p>12 Q. Do you know if anyone complained</p> <p>13 about his ability to manage people?</p> <p>14 A. I don't.</p> <p>15 Q. Did you take Amy's compensation</p> <p>16 into account when determining who to lay off,</p> <p>17 either her or Mike?</p> <p>18 A. My primary decision factor was as</p> <p>19 I explained to you. It was driven by our --</p> <p>20 what our objective would be at that point for</p> <p>21 what our housing group would do if we were to</p> <p>22 keep one. And clearly other factors went into</p> <p>23 account as well, but that was the primary</p> <p>24 factor.</p> <p>25 Q. What other factors did you take</p>	<p style="text-align: right;">Page 116</p> <p>1 D. BROWNSTEIN</p> <p>2 THE WITNESS: Do I not answer when</p> <p>3 you say that?</p> <p>4 MR. TURNBULL: No, I just objected</p> <p>5 to the form of the question. You can go</p> <p>6 ahead and answer.</p> <p>7 THE WITNESS: Thanks.</p> <p>8 A. I understand that Amy's</p> <p>9 compensation was at the level it was at</p> <p>10 because a year or two before she and Nick went</p> <p>11 in and told Frank they were going to leave</p> <p>12 unless he matched what they were offered at</p> <p>13 Morgan Stanley. So that's the reason her</p> <p>14 compensation was at the level it was at.</p> <p>15 Q. And do you know when this offer</p> <p>16 from Morgan Stanley came?</p> <p>17 A. I don't. I wasn't in public</p> <p>18 finance at the time.</p> <p>19 Q. Do you know if it was a year or</p> <p>20 two before?</p> <p>21 A. I don't.</p> <p>22 Q. So you are guessing?</p> <p>23 A. That's what someone told me at the</p> <p>24 time. I don't have exact dates, no.</p> <p>25 Q. Who told you?</p>

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<p style="text-align: right;">Page 117</p> <p>1 D. BROWNSTEIN</p> <p>2 A. It would have been Frank.</p> <p>3 Q. Okay. Did you take any other</p> <p>4 factors into account?</p> <p>5 A. No.</p> <p>6 Q. So it was comp and this thought</p> <p>7 leadership role?</p> <p>8 A. It was the thought leadership role</p> <p>9 and then comp.</p> <p>10 MR. TURNBULL: Objection to the</p> <p>11 form.</p> <p>12 A. But it was primarily what we were</p> <p>13 going to have this very small housing group do</p> <p>14 if we were to keep the housing group at all.</p> <p>15 Q. With respect to Amy receiving an</p> <p>16 offer from Morgan Stanley, did that happen</p> <p>17 before you became co-head of the public</p> <p>18 finance department?</p> <p>19 MR. TURNBULL: Objection.</p> <p>20 A. I believe so.</p> <p>21 Q. And why would Frank Chin, do you</p> <p>22 know why Frank Chin would have spoken to you</p> <p>23 about that before you were co-head of the</p> <p>24 public finance department?</p> <p>25 MR. TURNBULL: Objection.</p>	<p style="text-align: right;">Page 119</p> <p>1 D. BROWNSTEIN</p> <p>2 form.</p> <p>3 A. The housing group in total was</p> <p>4 considered for this first RIF -- fourth RIF.</p> <p>5 Q. In terms of the my question has to</p> <p>6 do in terms of the names that were identified.</p> <p>7 A. That would be the housing group in</p> <p>8 total.</p> <p>9 MR. TURNBULL: I think you guys</p> <p>10 are missing each other. Go ahead, start</p> <p>11 over again.</p> <p>12 Q. Let me try it this way: When you</p> <p>13 spoke to the group heads about identifying</p> <p>14 candidates for the fourth RIF, did you</p> <p>15 identify anybody at all?</p> <p>16 MR. TURNBULL: Objection to the</p> <p>17 form.</p> <p>18 A. I considered the entire housing</p> <p>19 group as part of that RIF.</p> <p>20 Q. Okay. Did you also consider</p> <p>21 people from the derivatives group as well?</p> <p>22 A. Almost everyone in the derivatives</p> <p>23 group was laid off in one of the four RIFs, 23</p> <p>24 of the 25 people or so.</p> <p>25 Q. So now my question is, did you</p>
<p style="text-align: right;">Page 118</p> <p>1 D. BROWNSTEIN</p> <p>2 Misstates testimony.</p> <p>3 A. I didn't say he spoke to me before</p> <p>4 then, before I became co-head.</p> <p>5 Q. Okay. So you found out after you</p> <p>6 became co-head?</p> <p>7 A. Correct.</p> <p>8 Q. Did you discuss your criteria in</p> <p>9 determining who to select off between Amy and</p> <p>10 Mike with Frank Chin?</p> <p>11 A. Perhaps.</p> <p>12 Q. Do you recall telling him your</p> <p>13 thought process?</p> <p>14 A. I don't recall.</p> <p>15 Q. Was Frank Chin involved in the</p> <p>16 decision to terminate Amy?</p> <p>17 A. At some point in the process, yes.</p> <p>18 Q. At what point in the process?</p> <p>19 A. I don't know.</p> <p>20 Q. Did you initially identify her?</p> <p>21 A. Yes.</p> <p>22 Q. And so she was on this initial</p> <p>23 list of people who were selected for layoff in</p> <p>24 connection with the fourth RIF?</p> <p>25 MR. TURNBULL: Objection to the</p>	<p style="text-align: right;">Page 120</p> <p>1 D. BROWNSTEIN</p> <p>2 select anyone for inclusion in the fourth RIF</p> <p>3 from the housing group?</p> <p>4 MR. TURNBULL: Objection. Asked</p> <p>5 and answered.</p> <p>6 MR. DATOO: I think he said he</p> <p>7 considered everyone. I want to know if</p> <p>8 he identified everyone.</p> <p>9 A. I identified everyone.</p> <p>10 MR. TURNBULL: He selected, he</p> <p>11 told you he selected Amy.</p> <p>12 MR. DATOO: I am getting confused</p> <p>13 over the group and specific individuals.</p> <p>14 Q. I want to know which individuals.</p> <p>15 MR. TURNBULL: Just let him finish</p> <p>16 the question because it is sort of</p> <p>17 mid-question and you are jumping in.</p> <p>18 Q. I want to know what individuals</p> <p>19 you identified for layoff from the housing</p> <p>20 group.</p> <p>21 A. No individuals specifically</p> <p>22 identified initialing the entire group, which</p> <p>23 would include all the individuals.</p> <p>24 Q. So let me make sure I am clear.</p> <p>25 When names were identified for inclusion in</p>

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<p style="text-align: right;">Page 121</p> <p>1 D. BROWNSTEIN</p> <p>2 the fourth RIF, everyone in the housing</p> <p>3 group's name were on this list?</p> <p>4 MR. TURNBULL: Objection to the</p> <p>5 form. It misstates the testimony.</p> <p>6 MR. DATOO: I don't know what the</p> <p>7 testimony is.</p> <p>8 MR. TURNBULL: I understand there</p> <p>9 is a misunderstanding, but you are --</p> <p>10 your question incorporates your</p> <p>11 misunderstanding.</p> <p>12 A. I am sorry. I am not quite sure</p> <p>13 at this point what you are asking.</p> <p>14 Q. Let me keep trying this, because I</p> <p>15 don't know why there is a disconnect. I don't</p> <p>16 know if it is you or me, I don't know.</p> <p>17 I believe you testified earlier</p> <p>18 this morning that either you or Frank Chin</p> <p>19 reached out to the group heads and told them</p> <p>20 that there was going to be a fourth RIF,</p> <p>21 correct?</p> <p>22 A. Yes.</p> <p>23 Q. And I believe you testified this</p> <p>24 morning that you weren't quite sure of the</p> <p>25 timing, but at some point the group heads got</p>	<p style="text-align: right;">Page 123</p> <p>1 D. BROWNSTEIN</p> <p>2 MR. DATOO: I don't think "list"</p> <p>3 is throwing anybody off.</p> <p>4 Q. I am not concerned with who you</p> <p>5 considered. I want to know who was identified</p> <p>6 from the housing group for layoff when all the</p> <p>7 group heads gave you names?</p> <p>8 A. At that point we hadn't gotten</p> <p>9 that far when it comes to the housing group,</p> <p>10 so that's why there was no one on a list,</p> <p>11 there was an entire group under consideration.</p> <p>12 Q. Okay. Were there people from the</p> <p>13 derivatives group identified?</p> <p>14 A. Yes. That would have been on the</p> <p>15 list.</p> <p>16 Q. And that would have come from</p> <p>17 decisions you made?</p> <p>18 A. Correct.</p> <p>19 Q. Okay. At what point in time were</p> <p>20 people from the housing group added to this</p> <p>21 list?</p> <p>22 A. I can't give you exact timing</p> <p>23 because I don't remember when along the way</p> <p>24 that was a decision that was made to add them</p> <p>25 to the list. I don't know.</p>
<p style="text-align: right;">Page 122</p> <p>1 D. BROWNSTEIN</p> <p>2 back to you with names?</p> <p>3 A. Correct.</p> <p>4 Q. And that was the initial list of</p> <p>5 names, I am referring to that as the initial</p> <p>6 list of names.</p> <p>7 MR. TURNBULL: Objection. There</p> <p>8 has been no testimony other than one</p> <p>9 list.</p> <p>10 MR. DATOO: Can you let me finish?</p> <p>11 MR. TURNBULL: I am objecting to</p> <p>12 the term "initial list."</p> <p>13 MR. DATOO: Object, but let me</p> <p>14 finish asking the question.</p> <p>15 Q. Once the group heads identified a</p> <p>16 list of names, were there any names of people</p> <p>17 from the housing group on that list of names?</p> <p>18 A. Again, at that point all we were</p> <p>19 considering was whether to close the housing</p> <p>20 group. So that would have meant every name</p> <p>21 would have been in consideration as a total.</p> <p>22 Q. Maybe it is the word that you are</p> <p>23 using "consideration."</p> <p>24 MR. TURNBULL: Or your word</p> <p>25 "list."</p>	<p style="text-align: right;">Page 124</p> <p>1 D. BROWNSTEIN</p> <p>2 Q. And was it you that selected the</p> <p>3 people from the housing group?</p> <p>4 A. Correct. Yes.</p> <p>5 Q. And did Frank Chin have to approve</p> <p>6 your selections from the housing group?</p> <p>7 A. Yes.</p> <p>8 Q. Why did he have to approve?</p> <p>9 A. Because we were co-heads of the</p> <p>10 business, neither of us made decisions alone.</p> <p>11 Q. So even you had to approve, you</p> <p>12 and Frank had to approve everyone whose name</p> <p>13 is on the list?</p> <p>14 A. Correct.</p> <p>15 Q. And did Frank Chin say anything</p> <p>16 about the inclusion of Amy on this list?</p> <p>17 A. I don't recall.</p> <p>18 Q. And do you recall discussing Amy's</p> <p>19 inclusion on this list with Frank Chin?</p> <p>20 MR. TURNBULL: Objection. Asked</p> <p>21 and answered.</p> <p>22 A. I don't.</p> <p>23 Q. Did you ever see any of Amy's</p> <p>24 performance reviews?</p> <p>25 A. No. You asked me that earlier.</p>

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1 D. BROWNSTEIN
2 Q. Did you ever see any of
3 Mr. Koessel's performance reviews?
4 A. No, I did not. You asked me that
5 earlier.
6 Q. Amy did housing transactions,
7 didn't she?
8 A. And student loan.
9 Q. My question was, did Amy do
10 housing transactions?
11 A. Yes.
12 Q. She also did student loans?
13 A. Yes.
14 Q. In 2008 were student loans a big
15 part of her practice?
16 A. 20 percent I suspect.
17 Q. And did anyone else in the -- was
18 anyone else in the housing group able to do
19 student loan transactions in '08?
20 A. No.
21 Q. Is this just like an extra skill
22 that Amy had?
23 A. Well, prior to Nick being
24 terminated, Nick of course could do student
25 loan transactions as well. We had a separate

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1 D. BROWNSTEIN
2 student loan group in corporate finance that
3 did student loan transactions. Our business
4 retained 10, 15 percent of the client base in
5 student loans after they split off from
6 corporate finance. So that's why Nick and Amy
7 continued to do a small portion of that work.
8 Q. Why did that 10 to 15 percent get
9 split off into the corporate finance group?
10 A. I don't know.
11 Q. But Amy could do housing
12 transactions, right?
13 A. Sure.
14 Q. So the inclusion or selection of
15 Amy for layoff had nothing to do with the fact
16 that she was doing student loans, did it?
17 MR. TURNBULL: Objection.
18 A. I would argue it had something to
19 do with it, yes.
20 Q. Why did student loans play a
21 factor?
22 A. Again, you'd have to look at each
23 of their client bases that they had and
24 conclude who had a client base that would
25 better fit what our business was going

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1 D. BROWNSTEIN
2 forward. That's item 1.
3 And I'd 2 is again as I said, the
4 primary goal for the future was to be a
5 thought leader in the market.
6 So while the business that each of
7 them had was great and I am sorry we lost Amy
8 and her business, but it wasn't the driver for
9 why we were going to retain a portion of that
10 business going forward.
11 Q. So you lost business when Amy was
12 laid off?
13 A. Some business, yes.
14 Q. Do you know who?
15 A. Yes, I know we lost South Dakota
16 and perhaps North Dakota. North Dakota I
17 think was student loan primarily, but I am not
18 sure.
19 Q. Were you familiar with Amy's
20 clients?
21 A. Some of them, yes.
22 Q. Who else, other than South
23 Dakota -- was South Dakota Amy's client?
24 A. Well, it was Nick's client that
25 Amy was involved in is how I would respond to

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1 D. BROWNSTEIN
2 that.
3 Q. How about North Dakota?
4 A. Yes, same thing Nick's client.
5 Q. In addition to those two, who else
6 was Amy's client?
7 A. Montana student loan and Nick's
8 client as well. Amy worked on a couple of the
9 other housing accounts around the country. In
10 many respects the smaller accounts, how you
11 have to break up our businesses, the large
12 states have the large populations, issue the
13 most data, the South Dakota simply doesn't fit
14 as an example into that category.
15 Q. Well, can you name me, other than
16 the ones you just specifically named me?
17 A. I can't recall.
18 Q. Were you familiar with Mike
19 Koessel's clients in '08?
20 A. Some of them.
21 Q. Which ones were his clients?
22 A. Cal housing as an example. We did
23 derivatives for them, that's how I was
24 involved in that one. Mike was involved in
25 Florida housing, Texas housing, New York as



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<p style="text-align: right;">Page 129</p> <p>1 D. BROWNSTEIN</p> <p>2 was Amy, but really a banker client, regional</p> <p>3 banker client that they both worked on.</p> <p>4 Massachusetts and Connecticut housing.</p> <p>5 Q. I just want to make sure that</p> <p>6 we're talking about the same thing. I am not</p> <p>7 asking about clients that they did work on. I</p> <p>8 am asking about whether certain clients</p> <p>9 belonged to Amy or Mike, if you could answer</p> <p>10 that question.</p> <p>11 MR. TURNBULL: Objection to the</p> <p>12 form.</p> <p>13 Q. Let me ask it again. Which</p> <p>14 clients were Mike's?</p> <p>15 A. Ahem. I would tell you the ones I</p> <p>16 just said, plus Ohio housing. One of the</p> <p>17 things you are saying that I'd like to correct</p> <p>18 a little is, "your clients," an individual's.</p> <p>19 I don't believe that any client of the firm's</p> <p>20 belongs to an individual. They are -- they</p> <p>21 are hiring the firm and its capabilities.</p> <p>22 And while the lead banker on the</p> <p>23 account plays an integral role and the most</p> <p>24 important role in our being hired by that</p> <p>25 client, it is the skill set of the</p>	<p style="text-align: right;">Page 131</p> <p>1 D. BROWNSTEIN</p> <p>2 generated from client transactions important?</p> <p>3 A. Absolutely.</p> <p>4 Q. Why?</p> <p>5 A. Because we're in the business of</p> <p>6 making money.</p> <p>7 Q. But the housing group shifted away</p> <p>8 from that, didn't it?</p> <p>9 A. The decision with respect to the</p> <p>10 housing group, although I should correct one</p> <p>11 thing you said, Mike actually has done a</p> <p>12 tremendous amount making money for the housing</p> <p>13 group since it got pared down to just him and</p> <p>14 two people.</p> <p>15 But having said that, the answer</p> <p>16 is that the decision process for us was to</p> <p>17 either stay in that business with a slimmed</p> <p>18 down staff and focus on how to become a</p> <p>19 participant in the market on the thought</p> <p>20 leadership side or to be out of the market</p> <p>21 totally. And that market was a very -- the</p> <p>22 key was that market was shrinking very</p> <p>23 quickly. Housing bonds weren't being done, we</p> <p>24 were in a crisis.</p> <p>25 And so to keep people in that</p>
<p style="text-align: right;">Page 130</p> <p>1 D. BROWNSTEIN</p> <p>2 organization overall and capabilities of that</p> <p>3 organization that the clients is also hiring.</p> <p>4 So there is no client that belongs to one</p> <p>5 individual within our business.</p> <p>6 Q. Just so I am clear and maybe so</p> <p>7 the record is clear, do you know which clients</p> <p>8 Amy acted as a lead banker for, other than the</p> <p>9 ones, unless they are different than the ones</p> <p>10 you just mentioned?</p> <p>11 A. The ones I mentioned about Amy,</p> <p>12 which again -- Amy worked very closely with</p> <p>13 Nick, so they worked primarily on the same</p> <p>14 accounts together.</p> <p>15 Q. Was Cal housing Nick's client?</p> <p>16 A. Yes.</p> <p>17 Q. Do you know how Mike Koessel</p> <p>18 started --</p> <p>19 A. Mike was involved in Cal housing</p> <p>20 day to day. He was always involved in the</p> <p>21 transactions I did out there on the derivative</p> <p>22 side. He was the one I interacted with.</p> <p>23 While I know Nick was involved, I don't think</p> <p>24 I ever interacted with Nick on that account.</p> <p>25 Q. Was the amount of revenue</p>	<p style="text-align: right;">Page 132</p> <p>1 D. BROWNSTEIN</p> <p>2 space, you had to decide some time in the</p> <p>3 future there might be a business model that</p> <p>4 would work. And to keep yourself prepared for</p> <p>5 that some time in the future, you wanted</p> <p>6 someone who could be in communication with the</p> <p>7 major participants in the market about what</p> <p>8 the market could do, how it could do it better</p> <p>9 and who could take a thought leadership role</p> <p>10 in doing that. That's where Mike came in.</p> <p>11 Q. You testified earlier that you</p> <p>12 spoke to I believe you testified earlier that</p> <p>13 you spoke to Nick Fluehr about Mike Koessel?</p> <p>14 A. I did not say that.</p> <p>15 Q. How did you know that Nick Fluehr</p> <p>16 was not a fan of Mike Koessel?</p> <p>17 A. It was known.</p> <p>18 Q. How was it known?</p> <p>19 A. Everybody knew that.</p> <p>20 Q. How did you know it?</p> <p>21 A. Nick was pretty vocal with</p> <p>22 everybody, he wasn't a fan of Mike Koessel.</p> <p>23 Q. Did you overhear Nick?</p> <p>24 A. No, but everybody told me that.</p> <p>25 It was fairly you -- it was a pretty common</p>

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1 D. BROWNSTEIN
2 statement.
3 Q. Was it well known -- was Nick's
4 thoughts about Amy well known?
5 A. Oh sure. Nick loved Amy.
6 Q. Do you know why that was?
7 A. I would suggest it was because Amy
8 did all of Nick's work for Nick.
9 Q. Do you know why Nick didn't like
10 Mike?
11 A. I don't.
12 Q. Did Mike do any work for Nick?
13 A. I don't know.
14 Q. Did he work on Cal housing for
15 Nick?
16 A. I don't know if they worked
17 together on Cal housing or not. You have to
18 ask Mike.
19 Q. But it was Nick's client, right?
20 A. Originally.
21 Q. And when it was Nick's client or
22 when Nick was the lead banker with Cal
23 housing, did he have Mike do any work on it?
24 A. I don't know. Mike could tell you
25 that if you want to ask him.

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1 D. BROWNSTEIN
2 Q. Was Amy ever nominated to become
3 managing director?
4 A. I don't know.
5 Q. Do you know if Mr. Koessel was
6 ever nominated to become managing director?
7 A. I don't believe he was.
8 Q. Do you know why not?
9 A. The nomination would have come
10 from Nick, and Nick never put him up. So I
11 don't.
12 Q. Could any managing director have
13 nominated a director for a MD position?
14 A. In theory, yes. In practice in
15 our business it was the group heads who had to
16 do the nominating.
17 Q. What's Mr. Koessel's current
18 position?
19 A. He is director in the housing
20 group.
21 Q. Are you still managing the housing
22 group?
23 A. Yes.
24 Q. Have you nominated him for an MD
25 position?

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1 D. BROWNSTEIN
2 A. No.
3 Q. If you knew Mr. Koessel was
4 interested in becoming head of the housing
5 group, would you have approached him over Amy?
6 A. No.
7 Q. Do you know who Frank Chin
8 preferred as head of the group?
9 MR. TURNBULL: Objection.
10 A. I don't.
11 Q. Did you ever talk to Frank Chin
12 about having a sole head or a group head of
13 the housing group?
14 A. Yes.
15 Q. Do you know what Frank's opinion
16 was?
17 A. Well, again, there were loads of
18 stages along the way. Ultimately, Frank
19 agreed that we should have them co-head the
20 group so that we can try to retain the staff
21 we have.
22 Q. Is the only reason you named Mike
23 co-head is because he threatened to leave?
24 A. I don't believe Mike threatened to
25 leave.

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1 D. BROWNSTEIN
2 Q. Is the only reason you named him
3 co-head was because he was interested in
4 becoming co-head?
5 A. The reason that we named them
6 co-heads were, from my perspective, was
7 because we wanted to create as little turmoil
8 as we could in trying to keep that group
9 together.
10 Q. So once you found out Mr. Koessel
11 was interested in a leadership position you
12 approached him to avoid any internal politics
13 in the group?
14 MR. TURNBULL: Objection.
15 A. No, it wasn't about politics. It
16 was about trying to retain your staff and have
17 them work as hard as possible.
18 Q. Do you think Mr. Koessel would
19 have left?
20 A. I don't know. But I didn't want
21 to run that risk at that point. If you cut
22 people, what you don't want to do is have the
23 people that you didn't cut leave because then
24 clearly you reduced your staff even further.
25 Q. Now after you selected Amy for

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1 D. BROWNSTEIN
2 layoff and Frank Chin approved it, did
3 Mr. Marsh have to approve the names on the
4 list?
5 MR. TURNBULL: Objection to the
6 form.
7 A. No.
8 Q. Were the names just submitted to
9 Mr. Marsh?
10 MR. TURNBULL: Objection to the
11 form.
12 A. I believe they would have been
13 submitted to human resources.
14 Q. And did the list that was
15 submitted that you believe was submitted to
16 HR, was it ever changed?
17 A. I don't know.
18 Q. At what point did you decide not
19 to eliminate the entire housing group?
20 A. I don't have an exact timing.
21 Q. But eliminating the housing group
22 was initially considered; is that correct?
23 A. Yes.
24 Q. And did you take the comp of
25 everyone in the housing group into

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1 D. BROWNSTEIN
2 consideration when determining whether you
3 could hit your number?
4 A. Correct.
5 Q. And then after you decided or
6 after it was decided that the housing group
7 would not be eliminated, was there a shortfall
8 on meeting your number?
9 MR. TURNBULL: Objection to the
10 form.
11 A. You are asking me to remember
12 things, it's been too much time for me to
13 remember. I really don't know.
14 Q. Do you recall ever having to go
15 back to any of the group heads and asking them
16 to give additional names or different names?
17 MR. TURNBULL: Objection.
18 A. No.
19 Q. Are you aware just one round of
20 names being given to you by group heads?
21 A. I am not.
22 Q. Could there have been more?
23 A. Yes.
24 Q. You only remember --
25 A. I don't remember.

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1 D. BROWNSTEIN
2 Q. You don't remember whether there
3 was one or more --
4 A. I don't.
5 Q. You don't remember going back to
6 the group heads and asking them for additional
7 or different names?
8 MR. TURNBULL: Objection. Asked
9 and answered.
10 A. No.
11 Q. When did you tell Mike that Amy
12 was going to be laid off?
13 A. I don't know.
14 Q. Was it before she was notified?
15 A. I don't know.
16 Q. Did you consult with Mike
17 regarding who should be laid off in the
18 housing group?
19 A. No.
20 Q. Are you and Mike friends?
21 A. I wouldn't call us friends, I
22 would call us friendly.
23 Q. Are you friendly outside the
24 workplace?
25 A. We have done things together a

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1 D. BROWNSTEIN
2 couple of times, not that often.
3 Q. What have you guys done together?
4 A. We've had dinner maybe five times.
5 Once in my house with some other employees,
6 and he came out and visited me on Long Island
7 one weekend.
8 Q. Do you know if Mike's salary
9 increased after Amy was fired?
10 A. It did not.
11 Q. Do you know if his base salary
12 increased after Amy was fired?
13 MR. TURNBULL: At any point after
14 she was fired.
15 Q. Starting in 2009.
16 A. The only time -- I don't know.
17 Q. Would you have been surprised if
18 his base salary increased after Amy was laid
19 off in 2009?
20 MR. TURNBULL: Objection.
21 A. If his base salary increased it
22 wasn't his alone that increased, it was a
23 firmwide change in salaries, not individuals.
24 Q. So after the fourth RIF, which was
25 a compensation reduction, Citigroup decided to

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1 D. BROWNSTEIN
2 people. I just remember the two of them. It
3 may have just been the two of them. It might
4 have been.
5 Q. Did you work with Nadine?
6 A. Nadine worked in the southeast
7 group. I knew Nadine, yes.
8 Q. Why did you invite her to your
9 house for dinner?
10 A. I tried to socialize as best I
11 could with everyone who I work with. It is
12 about building relationships, right?
13 Q. I am handing you a document that's
14 been marked previously marked as Plaintiff's
15 Exhibit 9. Take a look at this document and
16 let me know if you have seen it before.
17 A. I saw it yesterday, yes.
18 Q. Did you see it before yesterday?
19 A. I don't believe so.
20 Q. Do you recall seeing a document in
21 a similar format before yesterday?
22 A. I don't know.
23 Q. If I could direct your attention
24 to page 3.
25 A. Yes.

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1 D. BROWNSTEIN
2 Q. Third paragraph. The second
3 sentence.
4 A. Ahem.
5 Q. It reads:
6 "In assessing whose selection" --
7 A. I am sorry, I am in the wrong
8 place.
9 MR. TURNBULL: I think you are
10 right.
11 A. Oh, the second sentence.
12 Q. The second sentence. It reads:
13 "In assessing whose selection
14 would have the least impact on the
15 business, Brownstein noted that Koessel
16 had stronger relationships with larger
17 clients, had been making forward
18 thinking efforts to try to creatively in
19 vigor the group's business during the
20 financial crisis and had more experience
21 in the housing piece of the housing
22 group's business."
23 Do you see that?
24 A. Ahem.
25 Q. Is that all true?

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1 D. BROWNSTEIN
2 A. Yes.
3 Q. Now why were Mike's relationships
4 with larger clients stronger than Amy's
5 relationships?
6 A. Again, it is not a function of --
7 it is a function of who each client was
8 focused on or who each banker was focused on.
9 And so when we say "larger clients," what we
10 mean is clients whose expectation over time,
11 like Texas, because of the population in
12 Texas. I believe Texas is the third most
13 populous state in the U.S., would potentially
14 be the larger issuer of debt.
15 So if you compare Texas to South
16 Dakota with a very small population, the
17 issuance will be driven by the needs of the
18 public in that location. So that's why what
19 we're saying, when you look at the locations
20 that Mike does business in, those locations
21 over time, my expectation would be larger
22 issuers in the municipal market.
23 Q. But that has to do with revenue
24 generation, correct?
25 A. Absolutely.

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1 D. BROWNSTEIN
2 Q. I thought at that point in time
3 you weren't focused on generating revenue?
4 A. Well, what I said is I told Mike
5 your first and foremost responsibility is to
6 be a thought leader in the market. And what
7 that will do is lead to other things like
8 revenues, because clients will come to you
9 because they will want to talk to you about
10 what to do. The driver won't be you going out
11 there and soliciting business, because you
12 won't have to the time to and you won't have
13 the staff to. But clients often come to those
14 who have the knowledge, who can give them
15 solutions, they otherwise couldn't come up
16 with on their own.
17 So ultimately while near term the
18 driver wasn't revenues, ultimately if we were
19 going to remain in this business at all, long
20 term, it had to be about revenues.
21 Q. Now South Dakota was one of the
22 housing groups biggest clients, wasn't it?
23 MR. TURNBULL: Objection.
24 A. They were a -- the banker to South
25 Dakota, but when you say biggest clients, if